

Schneider Electric Infrastructure Limited

FY 2021-22 | Q3

11th Feb 22

INSIGHTS

A nighttime photograph of a cityscape with illuminated buildings and a large mountain range in the background. The word "INSIGHTS" is overlaid in large, bold, green capital letters.

Disclaimer

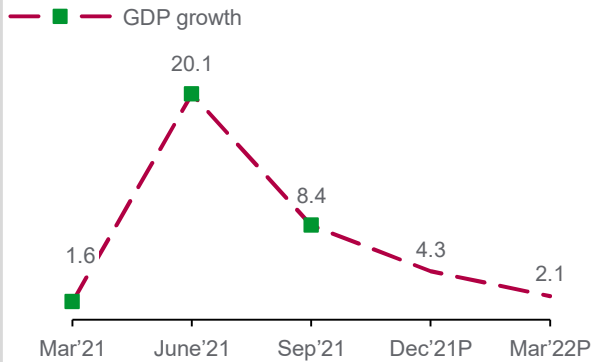
All forward-looking statements are Schneider Electric Infrastructure Limited (India) management's present expectations of future events and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements.

This presentation includes information pertaining to the our markets and our competitive positions therein. Such information is based on market data and our actual sales in those markets for the relevant periods. We obtained this market information from various third party sources (industry publications, surveys and forecasts) and our own internal estimates. We have not independently verified these third party sources and cannot guarantee their accuracy or completeness and our internal surveys and estimates have not been verified by independent experts or other independent sources.



Stable but tepid growth predicted for Q4'22

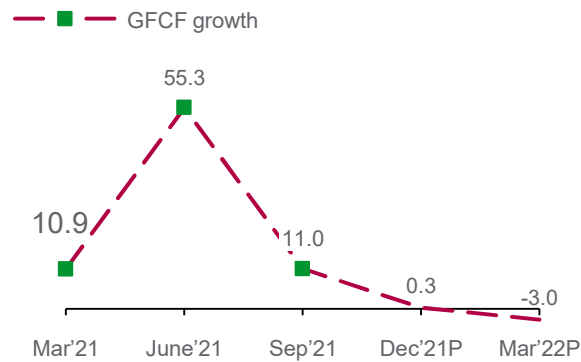
GDP¹ Forecast



Real GDP Growth Rate

GDP grew by 8.39% YoY in Q2'22 on last year's low base, showing signs of modest recovery of the economy

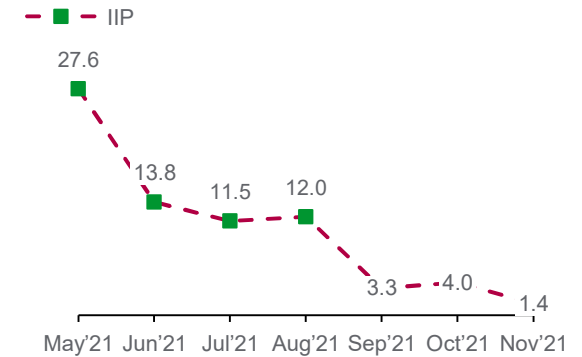
GFCF² Forecast



Capex Growth Rate

GFCF grew in Q2'22 by 11.01% on low base of Q2'21, also on account of Govt's investment in infrastructure

IIP³ Actuals



IIP Actuals

IIP rose by 3.2% in Oct'21, on account of slow growth in manufacturing & electricity

Sluggish growth in manufacturing - supply side issues & high commodity prices | Pvt consumption yet to pick up | Union Budget focus on Stimulating Capex (+35.4% allocation) | Gati shakti received 1st Outlay of 20K Crs for 2022-23

¹ Gross Domestic Product ² GFCF: Gross Fixed Capital Formation
Projections as per CMIE, and Economic Survey ; growth nos. YoY

³ IIP: Index of Industrial Production
* IMF World Economic Outlook

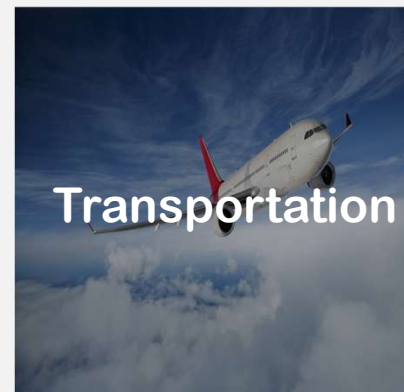
Segment Overview



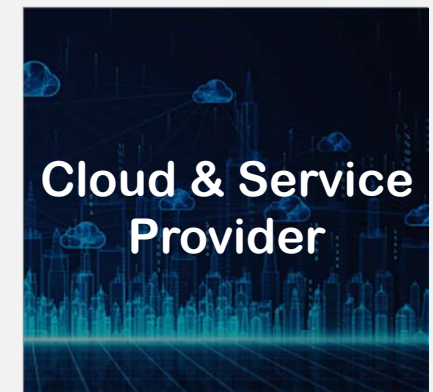
- Grid Digitization & modernization
- Urbanization – EV infra | Smart Cities
- Renewables & Storage management
- Continued focus on Renewable Domain
- 'Make in India' with local content > 60%
- 100 Mn Smart prepaid meters by 2023



- Strong Capex cycle in Cement & Steel
- Decarbonization & Sustainability
- Privatization of mining
- Strong Capex cycle in Cement & Steel
- Decarbonization & Sustainability
- Customer acceptance on Digital solutions



- Metro: Tie2 Cities expansion & digitization
- Rail: High Speed Rail; Smart coaches
- Govt investment in Railway modernization and Urban Transportation projects
- Slow Govt investment in Airport projects
- Focus on privatization of airports



- DC Markets to expand @ 12% CAGR
- Investment in Colocation facilities
- Rise in cloud adaptation
- 5G Deployment
- 4X Internet Penetration

Accelerating on our strategic Priorities

More Digital >>>

Building on Connected Products Portfolio & Leading solutions with Software

More Services >>>

More digital services & Modernization jobs to Leverage Install base

Increase Coverage >>>

Building & Supporting Robust Partner Network

Accelerate segments >>>

Segment focused approach with newly realigned organization

Green MV >>>

Green Future with SF6 Free Switchgear

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More Digital | Our Wins

Leading Digitalization for State Distribution utility

Customer Challenges

Customer was looking for best in class Quality highly reliable and cost-effective product.

System Improvement & Implementation of 24 X 7 Power Supply in Nation Capital

Digital Control & Monitoring via SCADA

Our Solution

- ✓ Smart & Connected RMU

Success Factor

- ✓ Strong connect with Customer and Prescription activity to have edge over competition
- ✓ Early identification of the Opportunity and presentation of SE solution to implement Smart RMU
- ✓ Prescription activity to create preference for SE products & offering. The efforts were for a period of One year from the prescription stage to order stage
- ✓ 300+ Nos Order already booked and executed in 2021

Continuous Robust relationship with end user resulting in repeat orders

Ecostruxure™
Innovation At Every Level

Edge control

Connected products



Smart RMU

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More Services | Our Wins

24 x 7 remote monitoring for ~10 substations

Customer Challenges

Ageing installed base

Continuous monitoring of Critical assets

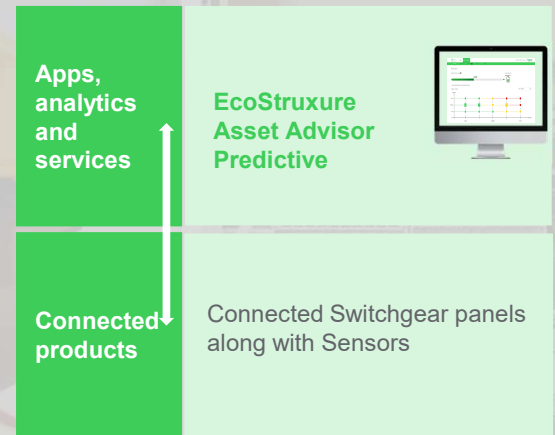
Technology oriented customer focused on safety, less shutdowns wanted to upgrade to latest technology

Our Solution

- ✓ Ecostruxure Asset Advisor – Predictive
- ✓ Asset Advisor for temperature and environmental condition Monitoring

Success Factor

- ✓ Technical Offer was key differentiation as it is fulfilled the customer's need by increasing system reliability and availability
- ✓ Ongoing relationship with customer helped to win the contract



Modernization with EAA-Predictive for reliability & down time reduction



➤➤➤ Increase Coverage | Our Wins

CIB Segment order for Township project in North India

Customer Challenges

Critical Delivery within 8 weeks
SE's LP approval 1st time in state

Technically compliant & Quality product
within restricted budget

Our Solution

- ✓ Strong approach and Influence at End customer
- ✓ Assure Strict timelines for delivery as per customer need

Success Factor

- ✓ Showcasing offer and assuring quality
- ✓ SE influenced at DISCOM for approval
- ✓ Collaborative work amongst different sales



FBX RMU

Approval for all future solar projects by this Govt Generation & distribution company

Customer Success Stories

Bhutan Power Corporation

Peak Demand growing steadily, **x 2** in last 10 yrs

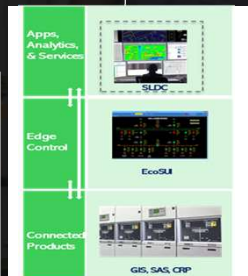
SE is Energy partner to Electrify Bhutan

Constant Engagement for successful project execution

SE team provided continuous remote support during strict Covid restrictions

Solution for challenging altitude of 1500M – 2500M

Optimized Medium Voltage solutions as per customer need



State transmission utility customer

Upgradation of ageing infrastructure

Digitizing state utility for high efficiency

Close customer connect through multiple projects

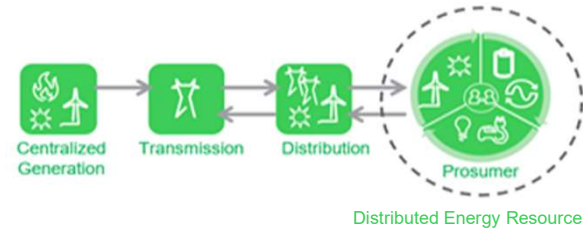
Strengthening of transmission and associated distribution networks

Optimum digital solutions

Service Support

Microgrids - New Energy Landscape

Energy Landscape changing from centralized to distributed generation



ESG Consideration

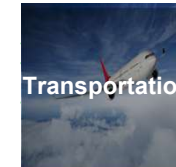
The UN Climate Change Conference in Glasgow (**COP26**)

Science Based Targets initiative (SBTi) drives ambitious climate action in the private sector

RE100 is a global initiative bringing together the world's most influential businesses committed to 100% renewable electricity



Target Segments



Our Offers

Consulting

Software | hardware

Expertise

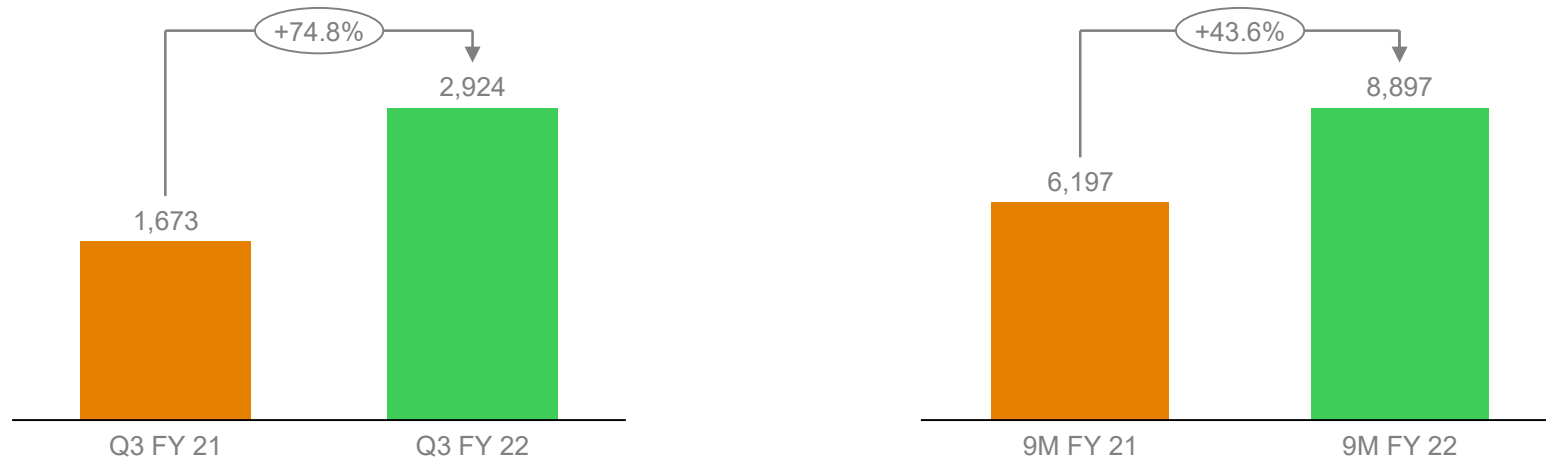
Partner network

Life Is On



Financial Update

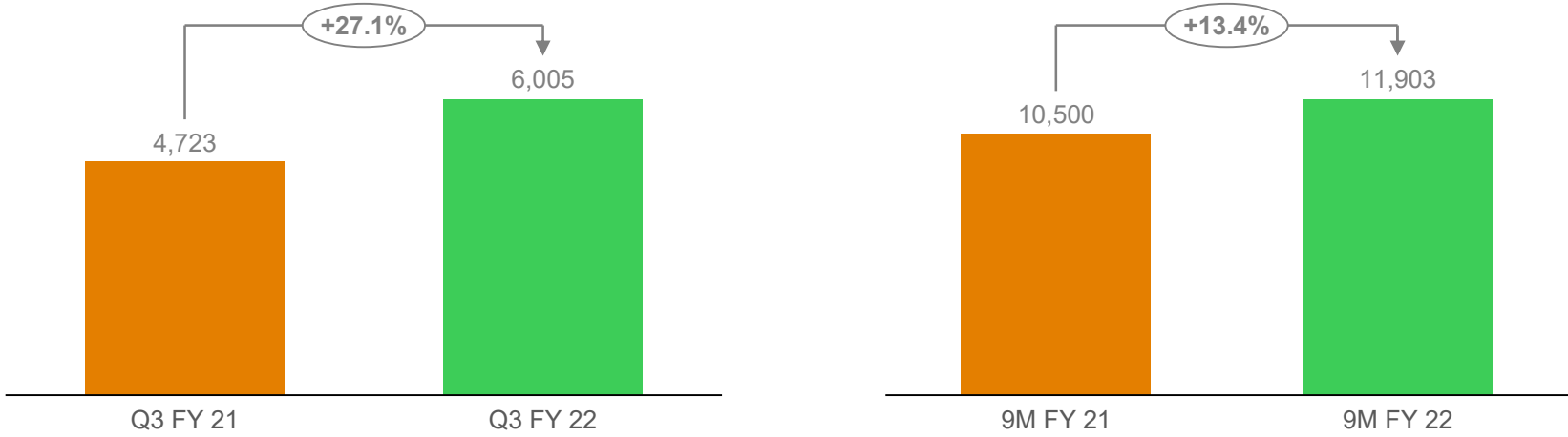
Orders



- Good momentum in orders lead by MMM, Mobility and Diffused segments
- Major orders from Linxon, Torrent, GE T&D, Bhutan Engg. BSES, etc.

All figures in MINR

Sales



- Good momentum in sales
- Major sales to Bhutan Engg, BSES, GE T&D, etc..

All figures in MINR

P&L Statement –Q3 FY'22 Vs Q3 FY'21

	Q3 FY'22		Q3 FY'21		YoY (%) Change
	MINR	%	MINR	%	
Sales	6,005		4,723		27.1%
Other Income	20	0.3%	19	0.4%	
Toal Sales	6,024		4,742		
Material Costs	4,322	72.0%	3,292	69.7%	
Gross Margin	1,702	28.3%	1,450	30.7%	-2.3pts
Employee Costs	506	8.4%	460	9.7%	10.0%
Other Expenses	504	8.4%	488	10.3%	3.2%
EBITDA	693	11.5%	502	10.6%	+0.9pts
Depreciation	45	0.7%	50	1.1%	-10.2%
EBITA	648	10.8%	452	9.6%	+1.2pts
Interest	124	2.1%	119	2.5%	4.7%
Profit before Exceptional Items	524	8.7%	333	7.1%	+1.7pts
Exceptional Items	0	0.0%	0	0.0%	
Profit after Tax	524	8.7%	333	7.1%	+1.7pts

➤ Material cost impacted by RM inflation, supply chain issues and mix

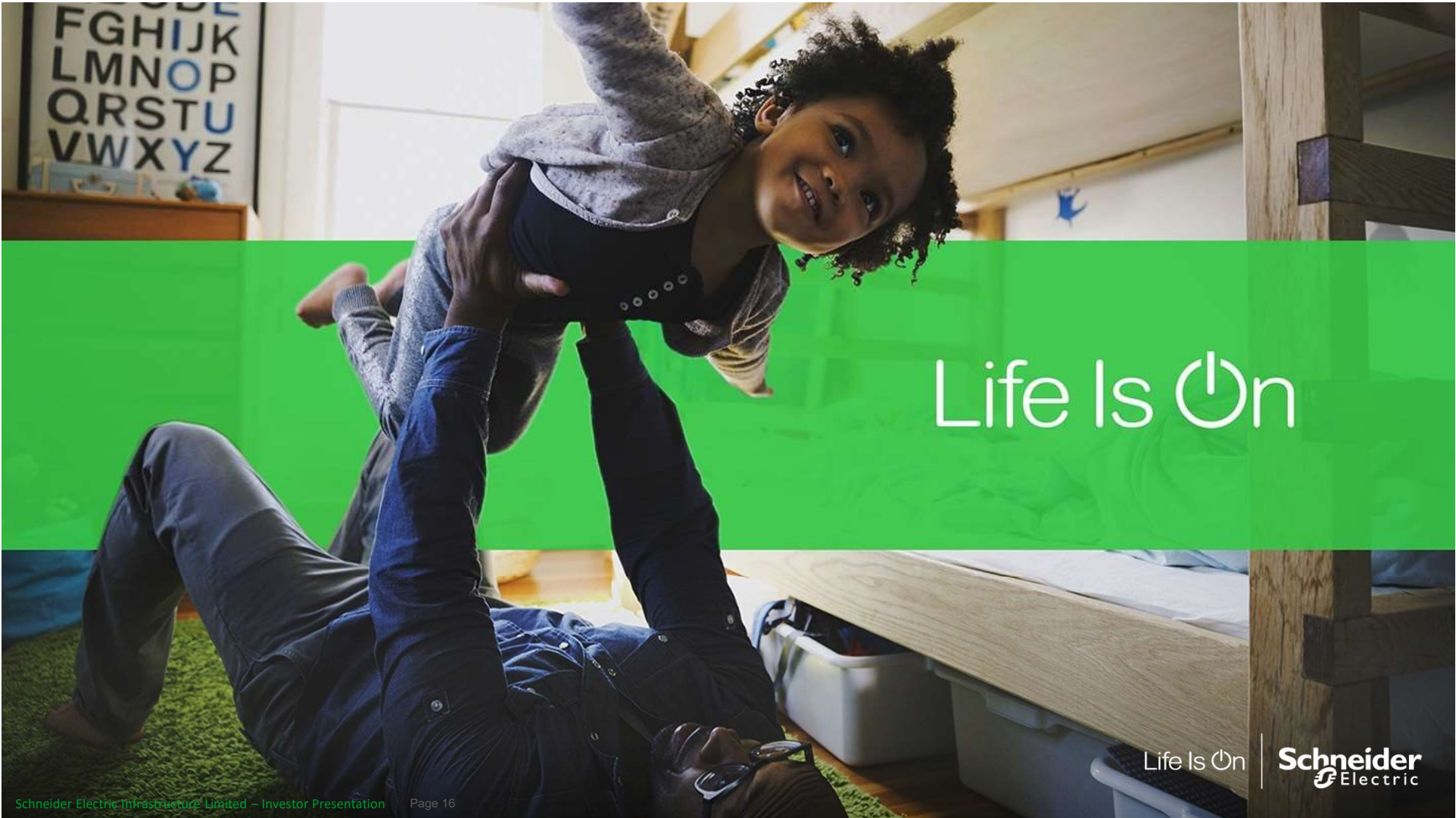
All figures in MINR

P&L Statement –9M FY'22 Vs 9M FY'21

	9M' 22		9M' 21		YoY (%) Change
	MINR	%	MINR	%	
Sales	11,903		10,500		13.4%
Other Income	68	1.1%	75	1.6%	
Toal Sales	11,971		10,574		
Material Costs	8,375	70.4%	7,259	69.1%	
Gross Margin	3,596	30.2%	3,315	31.6%	-1.4pts
Employee Costs	1,596	13.4%	1,366	13.0%	16.8%
Other Expenses	1,241	10.4%	1,188	11.3%	4.5%
EBITDA	759	6.4%	761	7.2%	-0.9pts
Depreciation	129	1.1%	167	1.6%	
EBITA	630	5.3%	594	5.7%	-0.4pts
Interest	355	3.0%	369	3.5%	-3.8%
Profit before Exceptional Items	276	2.3%	226	2.1%	+0.2pts
Exceptional Items	0	0.0%	123	1.2%	
Profit after Tax	276	2.3%	102	1.0%	+1.3pts

➤ Material cost impacted by RM inflation, supply chain issues and mix

All figures in MINR



Life Is On

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